

ICS 77-2118
7 February 1977

MEMORANDUM FOR: [REDACTED] Deputy to the DCI for the Intelligence Community

FROM : [REDACTED] Director of Performance Evaluation and Improvement

SUBJECT : Presidential Review Memorandum 11

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1. Attached is a proposed strategy for handling the main topic of Presidential Review Memorandum (PRM) 11: Community organization. I would strongly recommend breaking off other issues -- security, oversight, guidelines, foreign liaison, etc. -- for separate attention. The strategy has three parts:

a. A Process using a panel of professional wise men, chaired by you.

b. A set of Key Issues and Principles that ought to govern the choice of organization.

c. Four organizational Options:

1) Status Quo Plus (fix up E.O. 11905).

2) DCI-Dominated Community (DCI gets NSA [REDACTED]).

3) A White House Intelligence Tsar (varied powers).

4) Fragment the Community (technical collection to DOD solely, DDO to State, separate analytic center).

2. The Options themselves have many variants: but I think they bound the reasonable possibilities.

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3. Up to now, my thinking and spadework has been pre-occupied with making the first two options work. With PRM 11 we shall probably have to look more widely.



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Attachment:
As stated

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MEMORANDUM

SUBJECT: Responding to Presidential Review Memorandum 11

1. If the DCI is directed to organize the response to Presidential Review Memorandum (PRM) 11, the action will probably come immediately to the Deputy to the DCI for the Intelligence Community and his Staff. We need a strategy for handling this task. The following are some recommendations:

The Process

2. The center piece of PRM 11 will be the organization of the Intelligence Community. Any DCI-led review of this subject will have to be scrupulously open and fair. But it should not, at least initially, be a massive committee process coordinated through the interested agencies like a national estimate. Nothing fruitful would come out. Neither is the Intelligence Community Staff (ICS), as a body, experienced or wise enough to handle the job in isolation. The crucial effort should be performed by a special panel of individuals, selected for their experience, good sense, and ability to understand and represent the diverse interests anchored in intelligence. The D/DCI/IC should chair this panel and the group should not number more than ten. It

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should amply represent Defense, and have a couple of policy-makers as well as intelligence professionals on it. The panel members should be able to think and act independently, however, not as delegates from their agencies. Agency coordination would come later (Step 8). The following names come to my mind:

John McMahon

Jim Taylor

Sayre Stevens

[Redacted]

Bobby Inman

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The final group should be selected from a longer list of candidates than this. Perhaps a couple of outsiders (ex-insiders) could be enlisted for part of the process. The ICS should supply a senior individual as Executive Secretary or rapporteur for the group. This group would then prepare a response in something like the following manner:

Step 1: Group meets with DCI to discuss the President's instructions and preliminary Terms of Reference - One day.

Step 2: Executive Secretary with ICS support prepares formal Terms of Reference and brief issue papers on matters raised at Step 1 - Two weeks.

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Step 3: Group members consider Terms of Reference and issue papers; Executive Secretary continues to develop issue papers and gather additional relevant materials. - One week.

Step 4: Group meets in 25X1
 for thorough, disciplined discussion of issues and options - Three-Four days.

Step 5: Based on Step 4, Executive Secretary and staff support prepare a complete draft report on organizational options; consult members individually to keep report on track; Chairman rules on disputes, but no argument is summarily discarded - Three weeks.

Step 6: Report is submitted to group members who may approve, comment, or dissent in writing - Two weeks.

Step 7: Chairman submits report, comments, and group dissents to DCI; DCI reviews and adds own comments - One week.

Step 8: DCI submits group report and own recommendations to National Security Council, who send it around for formal agency review.

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Key Issues and Principles

3. The DCI and his panel will have to work out explicitly what the key issues and principles are that drive a new look at organization. The following seem germane:

a. To what degree and with what effect should concern about intelligence resource management govern Community organization?

b. Where and against what should which intelligence dollars be traded off? Against other intelligence dollars? Military forces?

c. How much does or should sensible management of intelligence resources derive from command authority, log rolling and negotiations, or "systems analysis?"

d. To what extent should intelligence management combine resource control and "substantive" leadership, in the DCI, in the Director of Defense Intelligence, or elsewhere?

e. Is strong DCI leadership consistent with or threatened by strong leadership from a single senior office over defense intelligence, whatever the scope of that office?

f. Is this proposition valid? "The US needs and can have more centralized control over intelligence resources for efficiency, but must preserve

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a broad diversity of analysis and estimative judgment to handle uncertainty and to serve diverse customers."

g. Is this proposition valid? "There is no such thing as national versus departmental versus tactical intelligence. All intelligence can serve many needs and customers at different levels. These distinctions apply to who owns the intelligence operating assets in question. The challenge is to place ownership in the hands that will best serve the need in rational balance with other needs."

Major Organizational Options

4. The following is a reasonable spectrum of organizational options that should be examined in responding to PRM 11:

Status Quo Plus

Present arrangements plus some clarification of the Executive Order on the DCI's budgetary role and access to Department of Defense (DOD) program managers. A significant variant might bring all DCI Community functions under the D/DCI/IC. Another variant might reintegrate all DCI Community functions back into CIA, which would be the DCI's sole executive base for both his unique functions (DDO, national intelligence, some R&D) and his Community leadership. Basic questions:

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° Can the DCI really be expected to rationalize the management of [] [] NFIP when he owns only [] of it and must negotiate the shape of the rest?

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° What management arrangements in DOD intelligence are consistent with this responsibility?

DCI-Dominated Community

This option would place NSA and [] directly under the DCI. He would thereby become the line manager of some 65 percent of the NFIP. The PRC (CFI) would continue to operate a) to enable DCI influence over the rest of the NFIP, and b) to give DOD an active voice in the management of the DCI-owned part of the NFIP. NFIB would continue to be the medium of diversity in national intelligence analysis and estimates. Basic questions:

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° Where should the National Security Agency (NSA) and the SCAs be split?

° Can Defense still supply manpower and management support to NSA and []

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- ° Can the needs of Defense be met?
- ° What defense intelligence leadership would be required over its remaining portions of national and departmental intelligence?

Director General of Intelligence - Tsar

Some sort of White House overseer of all US intelligence, especially emphasizing resource management and performance review. No basic change in present organizations, DCI's Community role would disappear. The crucial question here would be the extent of this figure's executive powers: Should they be great with all intelligence money allocated initially to him and with command powers over the several agencies, or should they be more collegial, as are the DCI's now over most of the Community?

Fragmentation

Under this option, all technical forms of intelligence collection would be subordinated to the DOD because they primarily supply defense-related intelligence. The CIA's Clandestine Service would be subordinated to the Department of State, because it supplies primarily political and economic intelligence and to rationalize its relationship to US foreign policy.

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CIA's DDI would become a national center for foreign intelligence analysis and net assessment subordinated directly to the Executive Office of the President.

An NFIB-like function could be retained to pull together the judgments of departmentally based intelligence elements. Basic questions:

- ° Where would an overview of intelligence resource management be supplied? OMB? NSC?

- ° Could the national analytic center task collectors? Would it become less an intelligence analysis center and more a government think tank?

- ° Could State manage a clandestine service? Would it, or should it, shrink further in size?

- ° Would unchallenged DOD ownership of national technical collection assets alter the structure of these programs, say, toward more battlemanagement applications, or distort their intelligence output? What would be the effect on arms control verification functions?